

EXHIBIT 4-I1

REQUESTING WAGE RATE DETERMINATION

A request for wage rate approval and/or determination should be submitted to the HOME office within 60 days of the scheduled bid opening date. The request may be made by letter. A sample is provided as **Exhibit 4-I2**, *Request for Wage Rate Determination*.

The Davis-Bacon wage decision is a listing of various construction work job classifications (such as Carpenter, Electrician, Plumber, Laborer, etc.) and the minimum wage rates (and fringe benefits, where prevailing) that people performing work in those classifications must be paid. Grantees may obtain current Davis-Bacon wage decisions on-line at:

<http://www.access.gpo.gov/davisbacon/>

Federal wage rate determinations are issued by the U.S. Department of Labor for each state. The normal process includes a general wage decision made early each January and subsequent modifications throughout the balance of the year, for three basic categories within the construction industry: heavy and highway, building, and residential construction. These determinations are meant to be all-inclusive and representative of an area's prevailing basic wage, including fringe benefits, for every job classification of laborers and mechanics. The industry rates will vary according to the magnitude of the contract amount, the different zones or areas designated within the state, and the particular job classification.

Guidance from the HUD Labor Relations Office, referred to as the *25% Rule*, has been adopted by the HOME office regarding issuance of wage rate determinations for HOME-assisted Davis-Bacon construction bids. HUD's rule-of-thumb provides that for each significant component of the project (e.g., buildings, site improvements etc.) that exceeds 25% of the total contract amount, each relevant prevailing wage rate should be included in the bid document.

In the event the construction project will involve laborers or mechanics with job classifications not appearing on the provided wage rate determination schedule, the grantee's Labor Standards Officer must make a request to MDOC for an appropriate classification. HUD Form 4230A, *Report of Additional Classification and Rate* (**Exhibit 4-I3**) is used for this request.

If any modifications need to be made to the original wage determination due to a time delay, the HUD Labor Relations Office has specified that these modifications could be implemented through a *Change Order*, as opposed to re-bidding the contract. Grantees should also check with their legal advisors and consultant engineers, since more restrictive or different timeframes may apply when contract changes are made to the original bid document, i.e., the 60-day requirement under state law.